

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: ) Chapter 11  
 )  
W. R. GRACE & CO., et al.,<sup>1</sup> ) Case No. 01-1139 (JKF)  
 ) Jointly Administered  
Debtors. )  
Objection Deadline: April 5, 2004 at 4:00 p.m.  
Hearing Date: TBD only if necessary

**FEE DETAIL FOR DUFF & PHELPS, L.L.C.'S MONTHLY FEE APPLICATION FOR  
THE PERIOD FROM NOVEMBER 1, 2003 THROUGH JANUARY 31, 2004**

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<sup>1</sup> The Debtors consist of the following 62 entities: W. R. Grace & Co. (f/k/a Grace Specialty Chemicals, Inc.), W. R. Grace & Co.-Conn., A-1 Bit & Tool Co., Inc., Alewife Boston Ltd., Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circé Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc., Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarg, Inc., Five Alewife Boston Ltd., G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (f/k/a Grace Cocoa Management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B II Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc., Grace H-G II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W. R. Grace Capital Corporation, W. R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenai Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolith Enterprises, Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, Inc.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

**DUFF & PHELPS, LLC**

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■ DEPT. 540, P.O. Box 150473 ■ HARTFORD, CONNECTICUT 06115-0473 ■

February 12, 2004

State Street Bank and Trust Company  
One Lincoln Street  
Boston, MA 02111

Attn: Monet Ewing

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FOR PROFESSIONAL SERVICES

Re: For financial advisory services on behalf of the W.R. Grace & Co. Retirement Plan.  
Progress billing for services rendered from November 2003 through January 2004.

Professional fee	\$50,000.00
Out-of-pocket expenses	<u>9,026.02</u>
<b>TOTAL</b>	<b><u>\$59,026.02</u></b>

If submitting payment by check, please make reference to #2004-00082 on remittance.

PAYMENT VIA WIRING  
DUFF & PHELPS, LLC  
WEBSTER BANK  
ABA No: 211170101  
ACCOUNT No.: 0009233391

PAYMENT VIA LOCKBOX  
DUFF & PHELPS, LLC  
DEPT. 540  
P.O. Box 150473  
HARTFORD, CT 06115-0473

**DUFF & PHELPS, LLC**  
SUMMARY OF PROFESSIONAL FEES: DECEMBER 2003 – JANUARY 2004

Amount	Description	Original Due Date	Modified Due Date	Amount Paid	Comments
\$25,000.00	Agreed upon flat fee	12/15/03 Upon Execution of Retention Agreement	No Change	\$0.00	
\$25,000.00	Agreed upon flat fee	11/27/03 Delivery of Initial Financial Analysis	1/29/04	\$0.00	Delivery of Initial Financial Analysis rescheduled due to delay in being retained
\$50,000.00 Totals				\$0.00	

**DUFF & PHELPS, LLC**  
**OUT-OF POCKET EXPENSES**  
**NOVEMBER 2003 – JANUARY 2004**

Travel Expenses (see attached detailed schedule)

Transportation	\$6,078.00
Lodging	685.96
Meals	153.66
Other	<u>55.00</u>
	\$6,972.62

Investment Research and Database charges 843.00

Industry/Asbestos Research Expenses 968.47

Photocopy 55.00

Facsimile 75.00

Telephone 95.94

Overnight Delivery 15.99

\$9,026.02

**Duff & Phelps, LLC**  
**Travel Expense Detail**  
**November 2003 - December 2004**

<b>Personnel</b>	<b>Date</b>	<b>Transportation</b>	<b>Lodging</b>	<b>Meals</b>	<b>Other</b>	<b>Comments</b>
Dan Bayston	11/24/2003	\$831.00	\$0.00	\$59.93	\$15.00	11/24/03 - Meeting in Columbia, MD with W.R. Grace
Dan Bayston	12/11/2003	\$730.50	\$0.00	\$20.00	\$10.00	12/11/03 - Meeting in Boston with State Street
Dan Bayston	1/15/2004	\$478.70	\$0.00	\$0.00	\$10.00	1/15/04 - Meeting in Boston with State Street
Dan Bayston	1/29/2004	\$1,355.90	\$342.98	\$10.00	\$20.00	1/29/04 - Meeting in Boston with State Street
Paul Trost	11/24/2003	\$590.00	\$0.00	\$3.98	\$0.00	11/24/03 - Meeting in Columbia, MD with W.R. Grace
Paul Trost	12/11/2003	\$616.50	\$0.00	\$11.79	\$0.00	12/11/03 - Meeting in Boston with State Street
Paul Trost	1/15/2004	\$675.70	\$0.00	\$4.37	\$0.00	1/15/04 - Meeting in Columbia, MD with W.R. Grace
Paul Trost	1/29/2004	<u>\$799.70</u>	<u>\$342.98</u>	<u>\$43.59</u>	<u>\$0.00</u>	<u>1/29/04 - Meeting in Boston with State Street</u>
Total		\$6,078.00	\$685.96	\$153.66	\$55.00	

**DUFF & PHELPS, LLC**  
**IN PERSON MEETINGS: NOVEMBER 2003 – JANUARY 2004**

Date	Place	Purpose of Meeting	Firms in Attendance
November 24, 2003	Columbia, MD	Due diligence meeting with senior management at W.R. Grace & Co. Discussed status of Chapter 11 proceedings, current business operations, earning outlook and industry developments.	W.R. Grace State Street Duff & Phelps Goodwin Procter
December 11, 2003	Boston, MA	Meeting with the Fiduciary Committee of State Street to discuss status of Chapter 11 proceedings, overview of W.R. Grace & Co. business and financial performance and financial valuation framework.	State Street Duff & Phelps Goodwin Procter
January 15, 2004	Boston, MA	Meeting with select members of the Fiduciary Committee of State Street and legal counsel to discuss alternative scenarios for a resolution of the Chapter 11 proceedings (including prospects for a legislative settlement) and preliminary industry market valuation data.	State Street Duff & Phelps Goodwin Procter
January 29, 2004	Boston, MA	Presented Initial Financial Analysis to the Fiduciary Committee of State Street on the range of values for W.R. Grace & Co. common stock.	State Street Duff & Phelps Goodwin Procter

**DUFF & PHELPS, LLC**  
 REPORTS ISSUED: DECEMBER 2003 – JANUARY 2004

Date of Report	Length of Report	Report Contents
December 11, 2003	15 Pages	Preliminary review of W.R. Grace operations and financial performance, initial overview of Chapter 11 proceedings, review of selected common stock trends and preliminary outlook of future financial analysis framework.
January 15, 2004	24 Pages	Review of preliminary market pricing information on comparable companies and change-of-control transactions in the chemical industry. Provided preliminary valuation probability scenarios framework for discussion.
January 29, 2004	79 Pages	“Initial Financial Analysis” Detailed financial analysis to support an opinion on the fundamental and financial outlook for the common stock of W.R. Grace & Co. Report includes a detailed overview of the company’s business and finances, the specialty chemical industry, Chapter 11 filing, FAIR Act, valuation multiples in the industry, trends in equity prices for other asbestos Chapter 11 companies and other information deemed relevant.

## BACKGROUND OF DUFF & PHELPS PROFESSIONALS

**Daniel D. Bayston** is a Managing Director of Duff & Phelps, LLC. Mr. Bayston has managed numerous corporate finance projects for publicly traded and privately held concerns. He has been with the firm since 1983 and has advised clients on employer stock valuation issues, debt and equity financings, corporate valuation matters, employee stock ownership leveraged buyout transactions, merger/acquisition analyses, venture capital projects, capital structure and dividend policy, and litigation support work. Prior to joining the corporate finance group in 1987, Mr. Bayston was the senior investment securities analyst covering the automotive and building materials industries in the investment research division of Duff & Phelps Corporation. Mr. Bayston has been a frequent speaker at investment conferences and forums sponsored by Duff & Phelps and other institutions.

Mr. Bayston received a B.S. with a concentration in finance from the University of Illinois and an M.B.A. in finance and marketing from Northwestern University. He is a chartered financial analyst (CFA) and a member of the Investment Analysts Society of Chicago, the Association of Investment Management and Research, the ESOP Association, the Business Valuation Association, and The Economic Club of Chicago.

**Paul D. Trost** is an Associate at Duff & Phelps, LLC, where he is involved in corporate valuation projects related to ESOP analyses, acquisitions, and corporate finance matters. Paul has served clients in manufacturing, chemical, agribusiness, insurance and financial services, and consulting services, among others. Prior to Duff & Phelps, he was a senior financial planner at The Ayco Company, LLP. Mr. Trost graduated from the University of Illinois with a Bachelor of Arts degree in economics and received his Master of Business Administration in finance from the John M. Olin School of Business at Washington University in St. Louis.

**Dennis Shea** is an Analyst with Duff & Phelps, LLC. He graduated with honors from DePaul University's Finance Honors Program in the fall of 2002 with a minor in Accountancy. During his last year at DePaul, he worked as an Analyst Assistant in Lazard Freres' Mergers and Acquisitions group in Chicago where he worked on numerous M&A pitches for the Aerospace and Defense and Consumer Products investment banking groups. Dennis joined Duff & Phelps' Financial Advisory group as an Analyst in January of 2003 and has worked on corporate valuation assignments including employer stock valuations, financial fairness opinions, and sell side merger/acquisition transactions.